

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
CONFERENCE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 894

93RD GENERAL ASSEMBLY

2006

3097S.10T

AN ACT

To repeal sections 163.011, 163.021, and 163.031 as enacted by conference committee substitute for house committee substitute for senate substitute for senate committee substitute for senate bill no. 287, ninety-third general assembly, first regular session, and to enact in lieu thereof seven new sections relating to education.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 163.011, 163.021, and 163.031 as enacted by
2 conference committee substitute for house committee substitute for senate
3 substitute for senate committee substitute for senate bill no. 287, ninety-third
4 general assembly, first regular session, are repealed and seven new sections
5 enacted in lieu thereof, to be known as sections 160.775, 163.011, 163.021,
6 163.031, 1, 2 and 3, to read as follows:

**160.775. 1. Every district shall adopt an anti-bullying policy by
2 September 1, 2007.**

**3 2. "Bullying" means intimidation or harassment that causes a
4 reasonable student to fear for his or her physical safety or
5 property. "Bullying" may consist of physical actions, including gestures,
6 or oral or written communication, and any threat of retaliation for
7 reporting of such acts.**

8 3. Each district's anti-bullying policy shall be founded on the

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

9 assumption that all students need a safe learning environment. Policies
10 shall treat students equally and shall not contain specific lists of
11 protected classes of students who are to receive special
12 treatment. Policies may include age appropriate differences for schools
13 based on the grade levels at the school. Each such policy shall contain
14 a statement of the consequences of bullying.

15 4. Each district's anti-bullying policy shall require district
16 employees to report any instance of bullying of which the employee has
17 firsthand knowledge. The district policy shall address training of
18 employees in the requirements of the district policy.

163.011. As used in this chapter unless the context requires otherwise:

2 (1) "Adjusted operating levy", the sum of tax rates for the current year for
3 teachers' and incidental funds for a school district as reported to the proper
4 officer of each county pursuant to section 164.011, RSMo;

5 (2) "Average daily attendance", the quotient or the sum of the quotients
6 obtained by dividing the total number of hours attended in a term by resident
7 pupils between the ages of five and twenty-one by the actual number of hours
8 school was in session in that term. To the average daily attendance of the
9 following school term shall be added the full-time equivalent average daily
10 attendance of summer school students. "Full-time equivalent average daily
11 attendance of summer school students" shall be computed by dividing the total
12 number of hours, **except for physical education hours that do not count**
13 **as credit toward graduation for students in grades nine, ten, eleven,**
14 **and twelve**, attended by all summer school pupils by the number of hours
15 required in section 160.011, RSMo, in the school term. For purposes of
16 determining average daily attendance under this subdivision, the term "resident
17 pupil" shall include all children between the ages of five and twenty-one who are
18 residents of the school district and who are attending kindergarten through grade
19 twelve in such district. If a child is attending school in a district other than the
20 district of residence and the child's parent is teaching in the school district or is
21 a regular employee of the school district which the child is attending, then such
22 child shall be considered a resident pupil of the school district which the child is
23 attending for such period of time when the district of residence is not otherwise
24 liable for tuition. Average daily attendance for students below the age of five
25 years for which a school district may receive state aid based on such attendance
26 shall be computed as regular school term attendance unless otherwise provided

27 by law;

28 (3) "Current operating expenditures":

29 (a) For the fiscal year 2007 calculation, "current operating expenditures"
30 shall be calculated using data from fiscal year 2004 and shall be calculated as all
31 expenditures for instruction and support services except capital outlay and debt
32 service expenditures minus the revenue from federal categorical sources; food
33 service; student activities; categorical payments for transportation costs pursuant
34 to section 163.161; state reimbursements for early childhood special education;
35 the career ladder entitlement for the district, as provided for in sections 168.500
36 to 168.515, RSMo; the vocational education entitlement for the district, as
37 provided for in section 167.332, RSMo; and payments from other districts;

38 (b) In every fiscal year subsequent to fiscal year 2007, current operating
39 expenditures shall be the amount in paragraph (a) plus any increases in state
40 funding pursuant to sections 163.031 and 163.043 subsequent to fiscal year 2005,
41 not to exceed five percent, per recalculation, of the state revenue received by a
42 district in the 2004-05 school year from the foundation formula, line 14, gifted,
43 remedial reading, exceptional pupil aid, fair share, and free textbook payments
44 for any district from the first preceding calculation of the state adequacy target;

45 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect
46 subsequent to the 1980 tax year or any subsequent year. Such tax rate ceiling
47 shall not contain any tax levy for debt service;

48 (5) "Dollar value modifier", an index of the relative purchasing power of
49 a dollar, calculated as one plus fifteen percent of the difference of the regional
50 wage ratio minus one, provided that the dollar value modifier shall not be applied
51 at a rate less than 1.0:

52 (a) "County wage per job", the total county wage and salary disbursements
53 divided by the total county wage and salary employment for each county and the
54 city of St. Louis as reported by the Bureau of Economic Analysis of the United
55 States Department of Commerce for the fourth year preceding the payment year;

56 (b) "Regional wage per job":

57 a. The total Missouri wage and salary disbursements of the metropolitan
58 area as defined by the Office of Management and Budget divided by the total
59 Missouri metropolitan wage and salary employment for the metropolitan area for
60 the county signified in the school district number or the city of St. Louis, as
61 reported by the Bureau of Economic Analysis of the United States Department
62 of Commerce for the fourth year preceding the payment year and recalculated

63 upon every decennial census to incorporate counties that are newly added to the
64 description of metropolitan areas; or if no such metropolitan area is established,
65 then:

66 b. The total Missouri wage and salary disbursements of the micropolitan
67 area as defined by the Office of Management and Budget divided by the total
68 Missouri micropolitan wage and salary employment for the micropolitan area for
69 the county signified in the school district number, as reported by the Bureau of
70 Economic Analysis of the United States Department of Commerce for the fourth
71 year preceding the payment year, if a micropolitan area for such county has been
72 established and recalculated upon every decennial census to incorporate counties
73 that are newly added to the description of micropolitan areas; or

74 c. If a county is not part of a metropolitan or micropolitan area as
75 established by the Office of Management and Budget, then the county wage per
76 job, as defined in paragraph (a) of this subdivision, shall be used for the school
77 district, as signified by the school district number;

78 (c) "Regional wage ratio", the ratio of the regional wage per job divided by
79 the state median wage per job;

80 (d) "State median wage per job", the fifty-eighth highest county wage per
81 job;

82 (6) "Free and reduced lunch pupil count", the number of pupils eligible for
83 free and reduced lunch on the last Wednesday in January for the preceding school
84 year who were enrolled as students of the district, as approved by the department
85 in accordance with applicable federal regulations;

86 (7) "Free and reduced lunch threshold" shall be calculated by dividing the
87 total free and reduced lunch pupil count of every performance district that falls
88 entirely above the bottom five percent and entirely below the top five percent of
89 average daily attendance, when such districts are rank-ordered based on their
90 current operating expenditures per average daily attendance, by the total average
91 daily attendance of all included performance districts;

92 (8) "Limited English proficiency pupil count", the number in the preceding
93 school year of pupils aged three through twenty-one enrolled or preparing to
94 enroll in an elementary school or secondary school who were not born in the
95 United States or whose native language is a language other than English or are
96 Native American or Alaskan native, or a native resident of the outlying areas,
97 and come from an environment where a language other than English has had a
98 significant impact on such individuals' level of English language proficiency, or

99 are migratory, whose native language is a language other than English, and who
100 come from an environment where a language other than English is dominant; and
101 have difficulties in speaking, reading, writing, or understanding the English
102 language sufficient to deny such individuals the ability to meet the state's
103 proficient level of achievement on state assessments described in Public Law
104 107-10, the ability to achieve successfully in classrooms where the language of
105 instruction is English, or the opportunity to participate fully in society;

106 (9) "Limited English proficiency threshold" shall be calculated by dividing
107 the total limited English proficiency pupil count of every performance district that
108 falls entirely above the bottom five percent and entirely below the top five percent
109 of average daily attendance, when such districts are rank-ordered based on their
110 current operating expenditures per average daily attendance, by the total average
111 daily attendance of all included performance districts;

112 (10) "Local effort":

113 (a) For the fiscal year 2007 calculation, "local effort" shall be computed as
114 the equalized assessed valuation of the property of a school district in calendar
115 year 2004 divided by one hundred and multiplied by the performance levy less the
116 percentage retained by the county assessor and collector plus one hundred
117 percent of the amount received in fiscal year 2005 for school purposes from
118 intangible taxes, fines, escheats, payments in lieu of taxes and receipts from
119 state-assessed railroad and utility tax, one hundred percent of the amount
120 received for school purposes pursuant to the merchants' and manufacturers' taxes
121 under sections 150.010 to 150.370, RSMo, one hundred percent of the amounts
122 received for school purposes from federal properties under sections 12.070 and
123 12.080, RSMo, except when such amounts are used in the calculation of federal
124 impact aid pursuant to P.L. 81-874, fifty percent of Proposition C revenues
125 received for school purposes from the school district trust fund under section
126 163.087, and one hundred percent of any local earnings or income taxes received
127 by the district for school purposes. Under this paragraph, for a special district
128 established under sections 162.815 to 162.940, RSMo, in a county with a charter
129 form of government and with more than one million inhabitants, a tax levy of zero
130 shall be utilized in lieu of the performance levy for the special school district;

131 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the
132 amount calculated under paragraph (a) of this subdivision plus any increase in
133 the amount received for school purposes from fines **or less any decrease in the**
134 **amount received for school purposes from fines in any school district**

135 **located entirely within any county with a charter form of government**
136 **and with more than two hundred fifty thousand but fewer than three**
137 **hundred fifty thousand inhabitants that creates a county municipal**
138 **court after January 1, 2006.** If a district's assessed valuation has decreased
139 subsequent to the calculation outlined in paragraph (a) of this subdivision, the
140 district's local effort shall be calculated using the district's current assessed
141 valuation in lieu of the assessed valuation utilized in calculation outlined in
142 paragraph (a) of this subdivision;

143 (11) "Membership" shall be the average of:

144 (a) The number of resident full-time students and the full-time equivalent
145 number of part-time students who were enrolled in the public schools of the
146 district on the last Wednesday in September of the previous year and who were
147 in attendance one day or more during the preceding ten school days; and

148 (b) The number of resident full-time students and the full-time equivalent
149 number of part-time students who were enrolled in the public schools of the
150 district on the last Wednesday in January of the previous year and who were in
151 attendance one day or more during the preceding ten school days, plus the
152 full-time equivalent number of summer school pupils.

153 "Full-time equivalent number of part-time students" is determined by dividing the
154 total number of hours for which all part-time students are enrolled by the number
155 of hours in the school term. "Full-time equivalent number of summer school
156 pupils" is determined by dividing the total number of hours for which all summer
157 school pupils were enrolled by the number of hours required pursuant to section
158 160.011, RSMo, in the school term. Only students eligible to be counted for
159 average daily attendance shall be counted for membership;

160 (12) "Operating levy for school purposes", the sum of tax rates levied for
161 teachers' and incidental funds plus the operating levy or sales tax equivalent
162 pursuant to section 162.1100, RSMo, of any transitional school district containing
163 the school district, in the payment year, not including any equalized operating
164 levy for school purposes levied by a special school district in which the district is
165 located;

166 (13) "Performance district", any district that has met all performance
167 standards and indicators as established by the department of elementary and
168 secondary education for purposes of accreditation under section 161.092, RSMo,
169 and as reported on the final annual performance report for that district each year;

170 (14) "Performance levy", three dollars and forty-three cents;

171 (15) "School purposes" pertains to teachers' and incidental funds;

172 (16) "Special education pupil count", the number of public school students
173 with a current individualized education program and receiving services from the
174 resident district as of December first of the preceding school year, except for
175 special education services provided through a school district established under
176 sections 162.815 to 162.940, RSMo, in a county with a charter form of government
177 and with more than one million inhabitants, in which case the sum of the
178 students in each district within the county exceeding the special education
179 threshold of each respective district within the county shall be counted within the
180 special district and not in the district of residence for purposes of distributing the
181 state aid derived from the special education pupil count;

182 (17) "Special education threshold" shall be calculated by dividing the total
183 special education pupil count of every performance district that falls entirely
184 above the bottom five percent and entirely below the top five percent of average
185 daily attendance, when such districts are rank-ordered based on their current
186 operating expenditures per average daily attendance, by the total average daily
187 attendance of all included performance districts;

188 (18) "State adequacy target", the sum of the current operating
189 expenditures of every performance district that falls entirely above the bottom
190 five percent and entirely below the top five percent of average daily attendance,
191 when such districts are rank-ordered based on their current operating
192 expenditures per average daily attendance, divided by the total average daily
193 attendance of all included performance districts. The department of elementary
194 and secondary education shall first calculate the state adequacy target for fiscal
195 year 2007 and recalculate the state adequacy target every two years using the
196 most current available data. The recalculation shall never result in a decrease
197 from the previous state adequacy target amount. Should a recalculation result
198 in an increase in the state adequacy target amount, fifty percent of that increase
199 shall be included in the state adequacy target amount in the year of recalculation,
200 and fifty percent of that increase shall be included in the state adequacy target
201 amount in the subsequent year. The state adequacy target may be adjusted to
202 accommodate available appropriations;

203 (19) "Teacher", any teacher, teacher-secretary, substitute teacher,
204 supervisor, principal, supervising principal, superintendent or assistant
205 superintendent, school nurse, social worker, counselor or librarian who shall,
206 regularly, teach or be employed for no higher than grade twelve more than

207 one-half time in the public schools and who is certified under the laws governing
208 the certification of teachers in Missouri;

209 (20) "Weighted average daily attendance", the average daily attendance
210 plus the product of twenty-five hundredths multiplied by the free and reduced
211 lunch pupil count that exceeds the free and reduced lunch threshold, plus the
212 product of seventy-five hundredths multiplied by the number of special education
213 pupil count that exceeds the special education threshold, and plus the product of
214 six-tenths multiplied by the number of limited English proficiency pupil count
215 that exceeds the limited English proficiency threshold. For special districts
216 established under sections 162.815 to 162.940, RSMo, in a county with a charter
217 form of government and with more than one million inhabitants, weighted
218 average daily attendance shall be the average daily attendance plus the product
219 of twenty-five hundredths multiplied by the free and reduced lunch pupil count
220 that exceeds the free and reduced lunch threshold, plus the product of
221 seventy-five hundredths multiplied by the sum of the special education pupil
222 count that exceeds the threshold for each county district, plus the product of
223 six-tenths multiplied by the limited English proficiency pupil count that exceeds
224 the limited English proficiency threshold. None of the districts comprising a
225 special district established under sections 162.815 to 162.940, RSMo, in a county
226 with a charter form of government and with more than one million inhabitants,
227 shall use any special education pupil count in calculating their weighted average
228 daily attendance.

163.021. 1. A school district shall receive state aid for its education
2 program only if it:

3 (1) Provides for a minimum of one hundred seventy-four days and one
4 thousand forty-four hours of actual pupil attendance in a term scheduled by the
5 board pursuant to section 160.041, RSMo, for each pupil or group of pupils, except
6 that the board shall provide a minimum of one hundred seventy-four days and
7 five hundred twenty-two hours of actual pupil attendance in a term for
8 kindergarten pupils. If any school is dismissed because of inclement weather
9 after school has been in session for three hours, that day shall count as a school
10 day including afternoon session kindergarten students. When the aggregate
11 hours lost in a term due to inclement weather decreases the total hours of the
12 school term below the required minimum number of hours by more than twelve
13 hours for all-day students or six hours for one-half-day kindergarten students, all
14 such hours below the minimum must be made up in one-half day or full day

15 additions to the term, except as provided in section 171.033, RSMo;

16 (2) Maintains adequate and accurate records of attendance, personnel and
17 finances, as required by the state board of education, which shall include the
18 preparation of a financial statement which shall be submitted to the state board
19 of education the same as required by the provisions of section 165.111, RSMo, for
20 districts;

21 (3) Levies an operating levy for school purposes of not less than one dollar
22 and twenty-five cents after all adjustments and reductions on each one hundred
23 dollars assessed valuation of the district;

24 (4) Computes average daily attendance as defined in subdivision (2) of
25 section 163.011 as modified by section 171.031, RSMo. Whenever there has
26 existed within the district an infectious disease, contagion, epidemic, plague or
27 similar condition whereby the school attendance is substantially reduced for an
28 extended period in any school year, the apportionment of school funds and all
29 other distribution of school moneys shall be made on the basis of the school year
30 next preceding the year in which such condition existed.

31 2. For the 2006-07 school year and thereafter, no school district shall
32 receive more state aid, as calculated under subsections 1 and 2 of section 163.031,
33 for its education program, exclusive of categorical add-ons, than it received per
34 weighted average daily attendance for the school year 2005-06 from the
35 foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair
36 share, and free textbook payment amounts, unless it has an operating levy for
37 school purposes, as determined pursuant to section 163.011, of not less than two
38 dollars and seventy-five cents after all adjustments and reductions. Any district
39 which is required, pursuant to article X, section 22 of the Missouri Constitution,
40 to reduce its operating levy below the minimum tax rate otherwise required under
41 this subsection shall not be construed to be in violation of this subsection for
42 making such tax rate reduction. Pursuant to section 10(c) of article X of the state
43 constitution, a school district may levy the operating levy for school purposes
44 required by this subsection less all adjustments required pursuant to article X,
45 section 22 of the Missouri Constitution if such rate does not exceed the highest
46 tax rate in effect subsequent to the 1980 tax year. Nothing in this section shall
47 be construed to mean that a school district is guaranteed to receive an amount
48 not less than the amount the school district received per eligible pupil for the
49 school year 1990-91. The provisions of this subsection shall not apply to any
50 school district located in a county of the second classification which has a nuclear

51 power plant located in such district or to any school district located in a county
52 of the third classification which has an electric power generation unit with a
53 rated generating capacity of more than one hundred fifty megawatts which is
54 owned or operated or both by a rural electric cooperative except that such school
55 districts may levy for current school purposes and capital projects an operating
56 levy not to exceed two dollars and seventy-five cents less all adjustments required
57 pursuant to article X, section 22 of the Missouri Constitution.

58 3. No school district shall receive more state aid, as calculated in section
59 163.031, for its education program, exclusive of categorical add-ons, than it
60 received per eligible pupil for the school year 1993-1994, if the state board of
61 education determines that the district was not in compliance in the preceding
62 school year with the requirements of section 163.172, until such time as the board
63 determines that the district is again in compliance with the requirements of
64 section 163.172.

65 4. No school district shall receive state aid, pursuant to section 163.031,
66 if such district was not in compliance, during the preceding school year, with the
67 requirement, established pursuant to section 160.530, RSMo, to allocate revenue
68 to the professional development committee of the district.

69 5. No school district shall receive more state aid, as calculated in
70 subsections 1 and 2 of section 163.031, for its education program, exclusive of
71 categorical add-ons, than it received per weighted average daily attendance for
72 the school year 2005-06 from the foundation formula, line 14, gifted, remedial
73 reading, exceptional pupil aid, fair share, and free textbook payment amounts, if
74 the district did not comply in the preceding school year with the requirements of
75 subsection 6 of section 163.031.

76 **6. Any school district that levies an operating levy for school**
77 **purposes that is less than the performance levy, as such term is defined**
78 **in section 163.011, shall provide written notice to the department of**
79 **elementary and secondary education asserting that the district is**
80 **providing an adequate education to the students of such district. If a**
81 **school district asserts that it is not providing an adequate education to**
82 **its students, such inadequacy shall be deemed to be a result of**
83 **insufficient local effort. The provisions of this subsection shall not**
84 **apply to any special district established under sections 162.815 to**
85 **162.940, RSMo.**

163.031. 1. The department of elementary and secondary education shall

2 calculate and distribute to each school district qualified to receive state aid under
3 section 163.021 an amount determined by multiplying the district's weighted
4 average daily attendance by the state adequacy target, multiplying this product
5 by the dollar value modifier for the district, and subtracting from this product the
6 district's local effort and, in years not governed under subsection 4 of this section,
7 subtracting payments from the classroom trust fund under section 163.043.

8 2. Other provisions of law to the contrary notwithstanding:

9 (1) For districts with an average daily attendance of more than three
10 hundred fifty in the school year preceding the payment year:

11 (a) For the 2006-07 school year, the state revenue per weighted average
12 daily attendance received by a district from the state aid calculation under
13 subsections 1 and 4 of this section, as applicable, and the classroom trust fund
14 under section 163.043 shall not be less than the state revenue received by a
15 district in the 2005-06 school year from the foundation formula, line 14, gifted,
16 remedial reading, exceptional pupil aid, fair share, and free textbook payment
17 amounts multiplied by the sum of one plus the product of one-third multiplied by
18 the remainder of the dollar value modifier minus one, and dividing this product
19 by the weighted average daily attendance computed for the 2005-06 school year;

20 (b) For the 2007-08 school year, the state revenue per weighted average
21 daily attendance received by a district from the state aid calculation under
22 subsections 1 and 4 of this section, as applicable, and the classroom trust fund
23 under section 163.043 shall not be less than the state revenue received by a
24 district in the 2005-06 school year from the foundation formula, line 14, gifted,
25 remedial reading, exceptional pupil aid, fair share, and free textbook payment
26 amounts multiplied by the sum of one plus the product of two-thirds multiplied
27 by the remainder of the dollar value modifier minus one, and dividing this
28 product by the weighted average daily attendance computed for the 2005-06
29 school year;

30 (c) For the 2008-09 school year, the state revenue per weighted average
31 daily attendance received by a district from the state aid calculation under
32 subsections 1 and 4 of this section, as applicable, and the classroom trust fund
33 under section 163.043 shall not be less than the state revenue received by a
34 district in the 2005-06 school year from the foundation formula, line 14, gifted,
35 remedial reading, exceptional pupil aid, fair share, and free textbook payment
36 amounts multiplied by the dollar value modifier, and dividing this product by the
37 weighted average daily attendance computed for the 2005-06 school year;

38 (d) For each year subsequent to the 2008-09 school year, the amount shall
39 be no less than that computed in paragraph (c) of this subdivision, multiplied by
40 the weighted average daily attendance pursuant to section 163.036, less any
41 increase in revenue received from the classroom trust fund under section 163.043;

42 (2) For districts with an average daily attendance of three hundred fifty
43 or less in the school year preceding the payment year:

44 (a) For the 2006-07 school year, the state revenue received by a district
45 from the state aid calculation under subsections 1 and 4 of this section, as
46 applicable, and the classroom trust fund under section 163.043 shall not be less
47 than the greater of state revenue received by a district in the 2004-05 or 2005-06
48 school year from the foundation formula, line 14, gifted, remedial reading,
49 exceptional pupil aid, fair share, and free textbook payment amounts multiplied
50 by the sum of one plus the product of one-third multiplied by the remainder of the
51 dollar value modifier minus one;

52 (b) For the 2007-08 school year, the state revenue received by a district
53 from the state aid calculation under subsections 1 and 4 of this section, as
54 applicable, and the classroom trust fund under section 163.043 shall not be less
55 than the greater of state revenue received by a district in the 2004-05 or 2005-06
56 school year from the foundation formula, line 14, gifted, remedial reading,
57 exceptional pupil aid, fair share, and free textbook payment amounts multiplied
58 by the sum of one plus the product of two-thirds multiplied by the remainder of
59 the dollar value modifier minus one;

60 (c) For the 2008-09 school year, the state revenue received by a district
61 from the state aid calculation under subsections 1 and 4 of this section, as
62 applicable, and the classroom trust fund under section 163.043 shall not be less
63 than the greater of state revenue received by a district in the 2004-05 or 2005-06
64 school year from the foundation formula, line 14, gifted, remedial reading,
65 exceptional pupil aid, fair share, and free textbook payment amounts multiplied
66 by the dollar value modifier;

67 (d) For each year subsequent to the 2008-09 school year, the amount shall
68 be no less than that computed in paragraph (c) of this subdivision;

69 (3) The department of elementary and secondary education shall make an
70 addition in the payment amount specified in subsection 1 of this section to assure
71 compliance with the provisions contained in this subsection.

72 3. School districts that meet the requirements of section 163.021 shall
73 receive categorical add-on revenue as provided in this subsection. The categorical

74 add-on for the district shall be the sum of: seventy-five percent of the district
75 allowable transportation costs under section 163.161; the career ladder
76 entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo;
77 the vocational education entitlement for the district, as provided for in section
78 167.332, RSMo; and the district educational and screening program entitlements
79 as provided for in sections 178.691 to 178.699, RSMo. The categorical add-on
80 revenue amounts may be adjusted to accommodate available appropriations.

81 4. In the 2006-07 school year and each school year thereafter for five
82 years, those districts entitled to receive state aid under the provisions of
83 subsection 1 of this section shall receive state aid in an amount as provided in
84 this subsection.

85 (1) For the 2006-07 school year, the amount shall be fifteen percent of the
86 amount of state aid calculated for the district for the 2006-07 school year under
87 the provisions of subsection 1 of this section, plus eighty-five percent of the total
88 amount of state revenue received by the district for the 2005-06 school year from
89 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,
90 fair share, and free textbook payments less any amounts received under section
91 163.043.

92 (2) For the 2007-08 school year, the amount shall be thirty percent of the
93 amount of state aid calculated for the district for the 2007-08 school year under
94 the provisions of subsection 1 of this section, plus seventy percent of the total
95 amount of state revenue received by the district for the 2005-06 school year from
96 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,
97 fair share, and free textbook payments less any amounts received under section
98 163.043.

99 (3) For the 2008-09 school year, the amount of state aid shall be forty-four
100 percent of the amount of state aid calculated for the district for the 2008-09
101 school year under the provisions of subsection 1 of this section plus fifty-six
102 percent of the total amount of state revenue received by the district for the
103 2005-06 school year from the foundation formula, line 14, gifted, remedial
104 reading, exceptional pupil aid, fair share, and free textbook payments less any
105 amounts received under section 163.043.

106 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight
107 percent of the amount of state aid calculated for the district for the 2009-10
108 school year under the provisions of subsection 1 of this section plus forty-two
109 percent of the total amount of state revenue received by the district for the

110 2005-06 school year from the foundation formula, line 14, gifted, remedial
111 reading, exceptional pupil aid, fair share, and free textbook payments less any
112 amounts received under section 163.043.

113 (5) For the 2010-11 school year, the amount of state aid shall be
114 seventy-two percent of the amount of state aid calculated for the district for the
115 2010-11 school year under the provisions of subsection 1 of this section plus
116 twenty-eight percent of the total amount of state revenue received by the district
117 for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
118 reading, exceptional pupil aid, fair share, and free textbook payments less any
119 amounts received under section 163.043.

120 (6) For the 2011-12 school year, the amount of state aid shall be eighty-six
121 percent of the amount of state aid calculated for the district for the 2011-12
122 school year under the provisions of subsection 1 of this section plus fourteen
123 percent of the total amount of state revenue received by the district for the
124 2005-06 school year from the foundation formula, line 14, gifted, remedial
125 reading, exceptional pupil aid, fair share, and free textbook payments less any
126 amounts received under section 163.043.

127 (7) (a) Notwithstanding subdivision (18) of section 163.011, the state
128 adequacy target may not be adjusted downward to accommodate available
129 appropriations in any year governed by this subsection.

130 (b) **a. For the 2006-07 school year**, if a school district experiences a
131 decrease in summer school average daily attendance of more than [fifteen]
132 **twenty** percent from the district's 2005-06 summer school average daily
133 attendance [in any year governed by this subsection], an amount equal to the
134 product of the percent reduction [in] **that is in excess of twenty percent of**
135 the district's summer school average daily attendance multiplied by the funds
136 generated by the district's summer school program in the 2005-06 school year
137 shall be subtracted from the district's current year payment amount.

138 **b. For the 2007-08 school year**, if a school district experiences a
139 **decrease in summer school average daily attendance of more than**
140 **thirty percent from the district's 2005-06 summer school average daily**
141 **attendance**, an amount equal to the product of the percent reduction
142 **that is in excess of thirty percent of the district's summer school**
143 **average daily attendance multiplied by the funds generated by the**
144 **district's summer school program in the 2005-06 school year shall be**
145 **subtracted from the district's payment amount.**

146 **c. For the 2008-09 school year through the 2011-12 school year,**
147 **if a school district experiences a decrease in summer school average**
148 **daily attendance of more than thirty-five percent from the district's**
149 **2005-06 summer school average daily attendance, an amount equal to**
150 **the product of the percent reduction that is in excess of thirty-five**
151 **percent of the district's summer school average daily attendance**
152 **multiplied by the funds generated by the district's summer school**
153 **program in the 2005-06 school year shall be subtracted from the**
154 **district's payment amount.**

155 **d. Notwithstanding the provisions of this paragraph, no such**
156 **reduction shall be made in the case of a district that is receiving a**
157 **payment under section 163.044 or any district whose regular school**
158 **term average daily attendance for the preceding year was three**
159 **hundred fifty or less.**

160 **e. This paragraph shall not be construed to permit any reduction**
161 **applied under this paragraph to result in any district receiving a**
162 **current-year payment that is less than the amount calculated for such**
163 **district under subsection 2 of this section.**

164 (c) If a school district experiences a decrease in its gifted program
165 enrollment of more than twenty percent from its 2005-06 gifted program
166 enrollment in any year governed by this subsection, an amount equal to the
167 product of the percent reduction in the district's gifted program enrollment
168 multiplied by the funds generated by the district's gifted program in the 2005-06
169 school year shall be subtracted from the district's current year payment amount.

170 5. For any school district meeting the eligibility criteria for state aid as
171 established in section 163.021, but which is considered an option district under
172 section 163.042 and therefore receives no state aid, the commissioner of education
173 shall present a plan to the superintendent of the school district for the waiver of
174 rules and the duration of said waivers, in order to promote flexibility in the
175 operations of the district and to enhance and encourage efficiency in the delivery
176 of instructional services as provided in section 163.042.

177 6. (1) No less than seventy-five percent of the state revenue received
178 under the provisions of subsections 1, 2, and 4 of this section shall be placed in
179 the teachers' fund, and the remaining percent of such moneys shall be placed in
180 the incidental fund. No less than seventy-five percent of one-half of the funds
181 received from the school district trust fund distributed under section 163.087

182 shall be placed in the teachers' fund. One hundred percent of revenue received
183 under the provisions of section 163.161 shall be placed in the incidental
184 fund. One hundred percent of revenue received under the provisions of sections
185 168.500 to 168.515, RSMo, shall be placed in the teachers' fund.

186 (2) A school district shall spend for certificated compensation and tuition
187 expenditures each year:

188 (a) An amount equal to at least seventy-five percent of the state revenue
189 received under the provisions of subsections 1, 2, and 4 of this section;

190 (b) An amount equal to at least seventy-five percent of one-half of the
191 funds received from the school district trust fund distributed under section
192 163.087 during the preceding school year; and

193 (c) Beginning in fiscal year 2008, as much as was spent per the second
194 preceding year's weighted average daily attendance for certificated compensation
195 and tuition expenditures the previous year from revenue produced by local and
196 county tax sources in the teachers' fund, plus the amount of the incidental fund
197 to teachers' fund transfer calculated to be local and county tax sources by dividing
198 local and county tax sources in the incidental fund by total revenue in the
199 incidental fund.

200 In the event a district fails to comply with this provision, the amount by which
201 the district fails to spend funds as provided herein shall be deducted from the
202 district's state revenue received under the provisions of subsections 1, 2, and 4
203 of this section for the following year, provided that the state board of education
204 may exempt a school district from this provision if the state board of education
205 determines that circumstances warrant such exemption.

206 7. If a school district's annual audit discloses that students were
207 inappropriately identified as eligible for free and reduced lunch, special
208 education, or limited English proficiency and the district does not resolve the
209 audit finding, the department of elementary and secondary education shall
210 require that the amount of aid paid pursuant to the weighting for free and
211 reduced lunch, special education, or limited English proficiency in the weighted
212 average daily attendance on the inappropriately identified pupils be repaid by the
213 district in the next school year and shall additionally impose a penalty of one
214 hundred percent of such aid paid on such pupils, which penalty shall also be paid
215 within the next school year. Such amounts may be repaid by the district through
216 the withholding of the amount of state aid.

Section 1. 1. The department of elementary and secondary

2 education shall develop a "ready to work" endorsement program that
3 enables high schools to endorse a certificate for students who meet
4 certain standards that demonstrate that such students are deemed
5 ready to work. The program shall be available no later than June 30,
6 2007.

7 2. The program shall include, but not be limited to, the following:

8 (1) Voluntary participation by high school seniors who choose to
9 participate;

10 (2) Academic components;

11 (3) Work readiness components;

12 (4) Assessment tools and techniques for a third-party,
13 independent, and objective assessment and endorsement of individual
14 student achievement through an existing workforce investment service
15 delivery system; and

16 (5) An easily identifiable guarantee to potential employers that
17 the entry-level employee is ready to work.

18 3. In developing such standards, the department shall involve
19 representatives of the division of workforce development, employers,
20 students, career center providers, local workforce investment boards,
21 and school district personnel.

Section 2. 1. In any city not within a county where a child under
2 the age of seventeen required to attend school under section 167.031
3 accumulates fifteen or more absences during any one school year, the
4 child's school district shall report such absences to the division of
5 family services, children's division, within ten business days of the
6 fifteenth day of absence. Such notification, which shall be in written
7 form and retained in the student's school records, shall include:

8 (1) The student's full name and parents' or guardians' full names;

9 (2) The addresses and phone numbers of the student and parents
10 or guardians;

11 (3) The student's date of birth and age;

12 (4) The student's current school and grade level;

13 (5) The student's current grades for all classes in which the
14 student is enrolled; and

15 (6) The total number of days missed and specific days missed
16 from school.

17 2. Upon receipt of a report of the absences of a child under this

18 section, the children's division shall notify the child's parent or
19 guardian that the child has accumulated fifteen or more absences and
20 such report may be subject to the educational neglect provisions under
21 section 210.145, RSMo. The notification required under this section is
22 required regardless of whether a student's parent or guardian
23 contacted the school and approved of the absences.

Section 3. If a school district has been classified as unaccredited
2 within the previous five school years and the district is subsequently
3 classified as provisionally accredited, the district shall be subject to
4 lapse on June thirtieth of any school year in which the state board of
5 education withdraws provisional accreditation or at a later date as
6 determined by the state board of education. The provisions of this
7 section shall become effective January 1, 2010.

✓

Bill

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